

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04  
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01  
AF-08 EA-09 EUR-12 NEA-10 OIC-02 /148 R

DRAFTED BY EB/OT/GCP:RLANDERS  
APPROVED BY EB/OT/GCP:SAHMAD  
ARA/ECP:WBURSON  
COMMERCE:RRODRIGUEZ  
TREASURY:EFROST  
STR:BSTEINBOCK  
AGRICUTURE:JBENSON  
LABOR:HFIEKOWSKY  
ARA/AND:TSONANDRES

-----021131Z 031787 /17

R 020328Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY CARACAS  
INFO USMISSION GENEVA  
USDEL MTN GENEVA

UNCLAS STATE 072406

E.O. 11652: N/A

TAGS:ETRO, GATT, VE

SUBJECT: VENEZUELA'S ACCESSION TO THE GATT

REF: CARACAS 2144

1. WE ARE PLEASED TO LEARN OF GOV'S DECISION TO ACCEDE TO  
GATT AND WOULD LIKE TO BE KEPT INFORMED OF ANY DEVELOPMENTS.

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2. (ALL REPORTING ON THIS SUBJECT SHOULD ALSO BE SENT INFO  
TO GENEVA AND MTN GENEVA.) EMBASSY MAY WISH TO DRAW ON THE  
FOLLOWING BACKGROUND AND COMMENTS IN ANY DISCUSSIONS OF THE  
MATTER WHICH ARISE.

3. ACCESSION TO THE GATT IS A FAIRLY STRAIGHTFORWARD PRO-  
CESS BUT SINCE THE NEGOTIATION OF THE "TICKET OF ADMISSION,"

I-E., TARIFF CONCESSIONS BY THE ACCEDING GOVERNMENTS, MAY BE PROLONGED AFFAIR AND SINCE THE ACCEDING GOVERNMENTS MAY ALSO NEED SOME TIME TO ADJUST ITS INTERNATIONAL TRADING PRACTICES TO BRING THEM INTO CONFORMITY WITH THE OBLIGATIONS THAT IT WILL UNDERTAKE IN GATT, THE PRACTICE HAS DEVELOPED IN GATT OF NEW COUNTRIES UNDERTAKING A SERIES OF "STAGES" OF PARTICIPATION IN GATT CULMINATING IN ACCESSION. VENEZUELA WOULD PROBABLY INITIALLY PARTICIPATE UNDER A "DECLARATION BY THE CONTRACTING PARTIES OF SPECIAL COMMERCIAL RELATIONSHIPS," COMMONLY REFERRED TO AS A "DECLARATION OF PROVISIONAL ACCESSION," BETWEEN THE NEWLY PARTICIPATING GOVERNMENT AND THE MEMBERS OF GATT, USUALLY PROVIDING THAT THOSE CONTRACTING PARTIES TO GATT THAT SIGN THE DECLARATION WILL EXTEND TO THE NEW PARTICIPANT THE BENEFITS OF THE GATT AGREEMENT, INCLUDING MFN TREATMENT, PROVIDED THE NEW PARTICIPANT RECIPROCATES. PROVISIONAL ACCESSIONS, WHICH PROVIDE THE LEGAL BASIS ON WHICH COLOMBIA AND THE PHILIPPINES NOW PARTICIPATE IN THE GATT, ARE USUALLY FOR A LIMITED PERIOD OF TIME (SUCH AS ONE OR TWO YEARS) PENDING THE COMPLETION OF NEGOTIATIONS FOR FULL MEMBERSHIP. AT THE SAME TIME THE CONTRACTING PARTIES MAY ADOPT A DECISION INVITING THE APPLICANT TO PARTICIPATE IN THE WORK OF THE GATT. DURING THIS TIME THE CONTRACTING PARTIES USUALLY STUDY THE COMMERCIAL POLICY OF THE NEW PARTICIPANT, ASKING DETAILED QUESTIONS ABOUT ITS ECONOMY AND TRADING PATTERNS.

4. FULL ACCESSION COMES UPON A TWO THIRDS VOTE OF THE CONTRACTING PARTIES APPROVING THE MEMBERSHIP OF THE PROVISIONAL PARTICIPANT IN ACCORDANCE WITH THE TERMS OF AN AC-  
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CESSION PROTOCOL. THIS PROTOCOL WOULD INCLUDE THE SCHEDULE OF CONCESSIONS NEGOTIATED WITH THE VARIOUS CONTRACTING PARTIES AND ANY SPECIAL TERMS REFLECTING THE ACCEDING COUNTRY'S PRE-EXISTING OBLIGATIONS. WHEN THE ACCEDING GOVERNMENT SIGNS THE PROTOCOL ITS ACCESSION BECOMES EFFECTIVE.

5. THE NEGOTIATION OF THE SCHEDULE OF TRADE CONCESSIONS CAN TAKE PLACE IN A SEPARATE NEGOTIATION OR IT CAN BE CONDUCTED WITHIN THE CONTEXT OF A MULTILATERAL NEGOTIATION SUCH AS THE CURRENT TOKYO ROUND. WE BELIEVE THE LATTER IS THE EASIER AND MORE LOGICAL ROUTE FOR ALL CONCERNED. BOTH COLOMBIA AND THE PHILIPPINES HAVE STATED THEIR INTENTIONS TO NEGOTIATE THEIR ACCESSION CONCESSIONS WITHIN THE MTN.

6. IF VENEZUELA WANTS TO ACCEDE TO THE GATT IN 1979, THE GOV SHOULD PROBABLY CONSIDER BEGINNING THE PROCESS NOW, ACCEDING PROVISIONALLY AND NEGOTIATING ITS ACCESSION CONCESSIONS IN THE MTN. THE EXAMINATION AND NEGOTIATION

PROCESS TAKES A FAIR AMOUNT OF TIME AND AS A PROVISIONAL MEMBER VENEZUELA WOULD HAVE VIRTUALLY ALL THE BENEFITS OF MEMBERSHIP OF A TRUE CONTRACTING PARTY.

7. VENEZUELA'S MEMBERSHIP IN THE ANDEAN PACT, AS WELL AS LAFTA, WOULD BE EXAMINED BY THE CONTRACTING PARTIES AS A SIGNIFICANT ASPECT OF ITS COMMERCIAL POLICY. HOWEVER, THE GATT HAS EXTENSIVE EXPERIENCE WITH BOTH FREE TRADE AREAS AND CUSTOMS UNIONS, INCLUDING, VIA THE MEMBERSHIPS OF PERU AND CHILE, THE ANDEAN COMMON MARKET, AND IT IS UNLIKELY THAT VENEZUELA'S ANDEAN PACT ASSOCIATION WOULD PRESENT ANY INSURMOUNTABLE BARRIERS TO ITS ACCESSION TO THE GATT.  
CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
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**To:** CARACAS  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009